

From: charles@charlessipes.com [mailto:charles@charlessipes.com]
Sent: Wednesday, November 09, 2005 5:07 PM
To: ATR-Real Estate Workshop
Subject: "Competition and the Real Estate Workshop" -- Comment, Project
No. V050015

Please review the attached letter for the above mentioned project. It is attached as a PDF so you can read it without fear of a virus.

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If you or someone you know is thinking about buying or selling a property give me a call with their name and number and I'll be happy to follow up!



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"Competition and the Real Estate Workshop" -- Comment, Project No. V050015

Antitrust Division
U.S. Department of Justice
Liberty Place, Suite 300
Attention: Lee Quinn
325 7th Street, NW
Washington, DC 20530

I am writing today in regards to the suit filed against the NAR concerning the competition and sharing of information with other firms or the option to not share as the case may be though the MLS systems.

The real estate industry is full of competition that works usually well with each other. In today's economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on.

All of us serve localized markets where we compete for business every day. Fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business.

Barriers to entry are too low in most locations in my opinion. What other industry can you spend less than a month in school, in most places, and make as much money as your willing to work for. Also how many other professions can a new comer make as much or more than the old timers. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success.

Even through the economic downturns our country has experienced in the past few years, our industry has continued to provide opportunity -- something I would say is confirmed by the thousands of new agents that join our profession every year and the over 2 million Americans who are now licensed to provide professional real estate services in communities across the country.

Nothing encourages a competitive business environment more than providing consumers with choice. In the residential real estate marketplace, consumers not only are able to choose from more than 76,000 brokerage firms and more than 1.2 million REALTORS®, but also from a variety of business models and additional non-realtor agents also compete for the business.

As to the option to opt out or share the data across MLS's and other websites. The MLS is a cooperative, broker-to-broker offer of cooperation and compensation that help both brokers and customers buy and sell homes. It is not a public utility, nor should it be.

The beauty of the MLS is that it allows real estate brokerages of every size to compete on a level playing field. It gives all of us access to an inventory of property listings that we are able to show and sell to our clients.

The MLS doesn't discriminate. All MLS members are treated equally, regardless of their size or their business model, and yet the rights of property owners and their listing brokers are respected. The rules of the MLS achieve a delicate balance between respecting the rights of listing brokers so they will continue to be willing to contribute their inventory of listings and permitting cooperating brokers the ability to show those listings and be assured of receiving compensation if they bring about a successful sale.

There are several entities and companies that don't have listings. They however are able to compete because they belong to the MLS even without ever listing a property. Those companies bring choice to the consumer that they may not otherwise have. The companies that may have complained or are complaining that they want access can get it the same way I did, by going to school passing the tests, and paying the fees to get the information just like I do. It is not a right for anyone to sell or view the properties that are listed we share or if you will cooperate with others who also believe you have to qualify in some form or another for that information.

In conclusion, you can see we have a very competitive industry otherwise why are do I have so many people trying to get a piece of the pie, and our data is not a public right it is freely shared with people and companies that wish to participate and cooperate with other of like minds.

Sincerely,

Charles Sipes